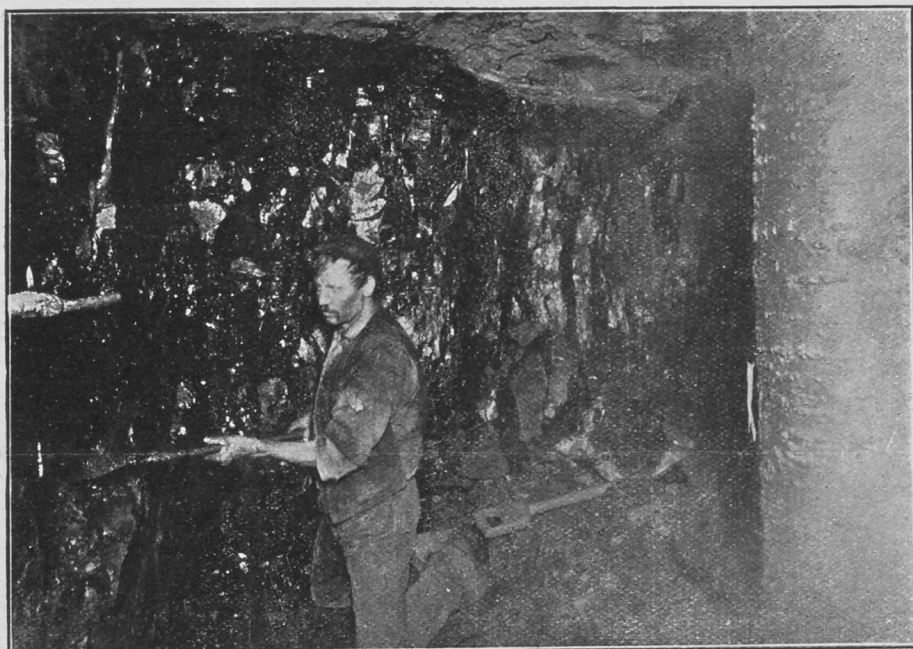


General Information

regarding

EDMONTON STANDARD : COAL : COMPANY



No. 1 Seam of Coal 5 ft. 3 in. thick, which has been tunnelled for upwards of 1,000 feet on Edmonton Standard Coal Co.'s property

COAL SEAMS ON THE PROPERTY



HE two seams that have been proven on the Company's property are 5 ft. and 5 ft. 4 in. thick respectively. At the present time the Company is working the wider of its two seams, which is only sixty feet from the surface.

Below these, as estimated by the borings made by the Gas Company, there are three additional seams of coal underlying the above, which are in thickness, namely:—3 ft., 10 ft. and 28 ft. respectively, equalling 41 ft.

The Company's Engineers estimate that:

No. 1 seam, average thickness 5 ft., contains.....	2,417,333 tons
No. 2 seam, average thickness 4 ft., contains.....	2,659,184 "
Making a total of.....	5,076,517 "
Add to the above the coal contained in the underlying three seams which have been proven by borings, and basing the estimate on only one-half the quantity, i.e., 20 ft., there would be.....	9,000,000 "
Making a total of	14,076,517 "

Which at its net value of at least 50c. per ton, is worth upwards of \$7,000,000, or more than twelve times the entire capital of the Company. This would allow of an output of 1,000 tons per day for fifty years.

PRODUCTION

This property has been worked as a producing mine since the first day of January, 1906, with an average daily output of fifty tons in 1906. Since being taken over by the present Company—the "Edmonton Standard Coal Company, Limited,"—on the first day of March, 1907—

The output for the balance of the year 1907 was	17,695 tons
The output for the year 1908 was	20,660 "
The output for the year 1909 was	28 620 "

INCREASED OUTPUT NECESSARY

To meet the ever-increasing demand for coal locally and outside the City of Edmonton, caused by the rapidly increasing population of the City, and the overwhelming tide of settlers who are locating along the three lines of railway, over which the Company can ship their coal, viz.: Canadian Pacific, Grand Trunk Pacific and Canadian Northern Railways, and along which lines numerous towns are rapidly developing, the Company find it necessary to increase their output to at least 300 or 500 tons per day. And acting on the recommendation of Mr. Frank B. Smith, M.E., Mines Manager and Consulting Engineer of the Edmonton Standard Coal Company, Limited, the Directors have decided to sink a shaft on the north side of the property in close proximity to the three lines of railway, which will also give the Company the great advantage of having the steam cars drawn over the railway radial to the shaft of the mine, where the coal can be loaded direct from the shaft into the cars, thereby saving upwards of 50c. per ton on all coal shipped to outside points and delivered at Edmonton, and enabling the Company also to make the most favorable terms with the electric railway to deliver the coal to the City of Edmonton power house for at least one-half the cost the Company have been paying for the past three years; and likewise to all other large contractors, thereby enabling the Company to make very much larger profits for the shareholders.

It has been most carefully estimated by our Engineer and by our General Manager (who has just returned from a visit to the property) that the output of the mine can be increased to 300 tons per day within a period of twelve months from the time the new shaft on the prairie level has been completed.

Arrangements have been made for the purchase of the necessary land at the new shaft, and the retaining of the

old shaft, with free right of way over the property to a registered street on the electric railway line, so that the electric cars, as above stated, can handle the large contracts of the Company at the lowest possible rate for delivery.

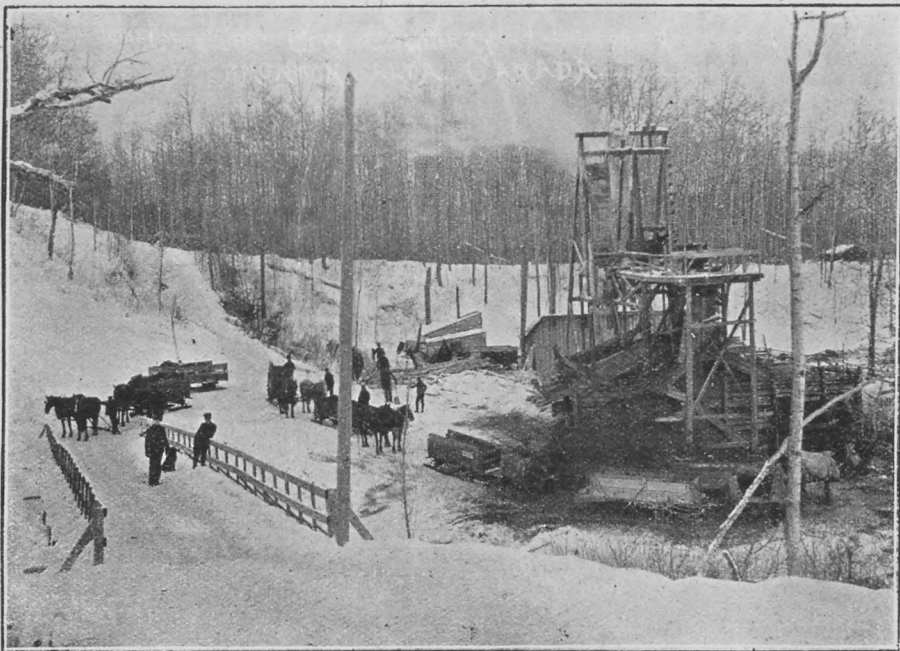
When it is taken into consideration that

In 1907 the delivery of the Company's coal cost	\$16,692.94
" 1908 " " " " "	17,759.30
" 1909 " " " " "	24,240.74

Making a total for the three years for delivery \$58,692.98

it will immediately be seen the great advantage the Company are going to reap by the installing of this new shaft, when it is conservatively estimated that a saving of at least 50% would be effected in delivery alone.

Had this new equipment that the Company have now determined to instal been in operation in 1909 the saving to the Company would have been over \$12,000: sufficient alone without the profits realized on the coal to have paid over 8% on all the Preference Stock issued by the Company.



Shaft and Plant of
"City Coal Co.,"
purchased by Edmonton
Standard Coal Co., Ltd.

YEARLY ESTIMATED OUTPUT AND COST OF PRODUCTION

The estimated output and profits yearly based on an output of 300 tons per day would show the following result:—

300 tons per day, 250 days, would produce 75,000 tons per year; proceeds of 75,000 tons at \$2.50 per ton (now selling at \$3.00 and \$3.50)	\$187,500
Mining 75,000 tons at \$1.00 per ton	\$75,000
Delivering 75,000 tons at 60c. per ton	45,000
Cost of outside selling of 75,000 tons at 5c. per ton	3,750
Royalty on 75,000 tons at 15c. per ton	11,250
Local and general management	10,000
	<hr/>
	145,000
Balance of income over expenditure	42,500

Division of Surplus:—

\$50,000 First Mortgage Gold Bonds 6%	\$ 3,000
\$165,000 8% Preference Stock	13,200
\$200,000 4% on Common Stock	8,000
Depreciation of Plant	5,000
	<hr/>
	29,200
Leaving a surplus of	<hr/>
	13,300

Which, if carried to a sinking fund would in less than four years pay off the entire bond indebtedness.

AN ATTRACTIVE AND SAFE INVESTMENT

With the above facts before the Directors they have decided to offer the public \$25,000 of the 8% Preference Cumulative Stock, the proceeds to be used for the purpose of sinking the new shaft, and equipping the mine with the machinery and plant necessary to carry out the above recommendation of our Consulting Engineer, to bring the output up to 300 tons per day. The Directors deem this the only wise and true policy that the Company could adopt in the best interests of the Shareholders and Bondholders, and to provide for the increased demand for coal.

A WORD ABOUT EDMONTON WHERE COMPANY'S MINES ARE SITUATED

Edmonton is the Capital of Alberta, and has a population at the present time of upwards of 25,000. Its assessment in 1909 was \$22,535,210. Its building permits in 1908 were \$2,498,847. It has 14 banks, 11 public schools, 22 churches, 2 sanitariums, 1 Y.M.C.A., 1 Y.W.C.A., 4 hospitals, 2 colleges, 22 hotels, 5 miles of paved streets, an up-to-date street car system, an up-to-date water and sewerage system, an excellent fire department, 8 grain elevators, flour mill and 3 bottling works, 3 daily papers, 5 weekly papers, 7 publishing houses, 36 wholesale houses and the following lines of railway: Canadian Northern (three lines building), Grand Trunk Pacific, Canadian Pacific, Yukon and Pacific, Edmonton & Slave Lake, and the Alberta Great Waterways Railway in course of construction.

PRESENT CONTRACTS FOR ENTIRE OUTPUT

The Company is at present under contract to supply the City of Edmonton with 20,000 tons on account of the Electric Light and Power Plant. It will thus be seen that, at the present time, the City of Edmonton is taking a large proportion of the entire output of the mine.

It might here be mentioned that before the contract was granted to the Edmonton Standard Coal Co., Ltd., the City of Edmonton required a test to be made by their engineer of 2,000 pounds of coal supplied by each party tendering. Nine companies tendered. After testing, the contract was awarded to the Edmonton Standard Coal Co., because their coal was superior in heat-producing qualities, lower in ash and moisture, and higher in carbon than the other coal submitted.

In addition to the large contract of 20,000 tons with the City of Edmonton for their Power Plant for the years 1909 and 1910, we are also supplying all the public schools of Edmonton, the largest manufacturing concerns, the Alberta Government for their public institutions and have besides the largest and best part of the domestic trade.

With the ever-increasing demand for coal in the towns and villages springing up along the lines of the three railways, it would be impossible for the Edmonton Standard Coal Co. to begin to supply all the demand, but now that they have thoroughly established the reputation of the Company's coal locally, they feel warranted in increasing their output to outside towns and villages, and therefore, confidently recommend to the investing public the above investment of \$25,000 as absolutely sound and secure.

REGARDING MINES MANAGEMENT

The Directors are fortunate in having secured the services of Mr. Frank B. Smith, M.E., as Mines Manager and Consulting Engineer, and Mr. Morris as Pit Boss of the Mine.

Mr. W. C. McKay, the local manager, has the entire charge of the Company's business at Edmonton, and is fast becoming one of the most popular and reliable managers in the coal trade in the West. By his careful attention and up-to-date management he has been able to show a steady increase in the output and in the earnings of the Company since his appointment as Local Manager.

The following cut will show a group of the miners of the Edmonton Standard Coal Company, Limited, many of them having been in the Company's employ since the mine was opened.



A Shift of Miners
on the property
of Edmonton Standard
Coal Co., Ltd.

REPORT AND INSPECTION

The Company's property has been fully and thoroughly inspected by D. Evans, Esq., Mining Engineer of twenty-five years' experience, and who at the present time is the chief coal expert engaged by Messrs. Osler, Hammond & Nanton, Winnipeg, the Calgary & Edmonton Land Company, and was late Inspector of Mines for the North-West Territories, besides holding three first-class Government certificates for mine management, issued to him in England, British Columbia and the North-West Territories. Mr. Evans made, as recently as February 22nd, 1907, a complete report of his inspection. There has also been reports by Norman Fraser, Inspector of Mines for the Province of Alberta; and Robert Livingston, M.E., of the Galt Mines, Lethbridge.

AUDITORS' REPORT

EDMONTON STANDARD COAL COMPANY, LIMITED

MINING ACCOUNT FOR FINANCIAL PERIOD (EIGHT MONTHS) ENDING 28TH FEBRUARY, 1910.

EARNINGS—		
Coal Sales.....	\$66,621.66	
Stores	576.32	
		\$67,197.98
CHARGES—		
Wages	\$31,347.61	
Cartage	19,197.90	
Royalties.....	2,942.15	
Timber, Mining Supplies, etc.....	2,442.61	
Insurance	869.71	
Rebates and Overcharges	339.92	
Plant Repairs, etc.....	336.38	
Edmonton Office Expenses.....	40.48	
Interest and Exchange.....	40.57	
Sundry Expenses	88.72	
		57,646.05
Profit carried to Profit and Loss Account		\$9,551.93

TORONTO, June 6, 1910.

GEO. MERSON & Co., Chartered Accountants,
Auditors.

Edmonton Standard Coal Company

Limited

Incorporated by Letters Patent under the Dominion of
Canada Companies Act

Capital Stock	-	-	\$300,000
Preference Stock	-		200,000
First Mortgage Bonds			50,000
			<u>\$550,000</u>

The \$200,000 Preference Stock bearing a fixed 8%
yearly interest rate is cumulative as to dividends

Shares, \$100 each

DIRECTORS

PRESIDENT

H. WADDINGTON, Toronto, Ont.

VICE-PRESIDENT

W. G. ELLIS

SEC.-TREAS. AND GEN. MGR.

WILLIAM MUNNS, Financial Agent
88 King Street East, Toronto, Ont.

A. L. FULLERTON, Toronto, Ont.

W. H. DAWSON, Toronto, Ont.

HEAD OFFICE

88 KING STREET EAST
TORONTO - ONTARIO

BANKERS

ROYAL BANK OF CANADA, EDMONTON

SOLICITORS

MCPHERSON & CO., Toronto, Ontario
F. D. BYERS, Edmonton, Alberta

AUDITORS

G. O. MERSON & CO., Chartered Accountants
Toronto, Ontario

MINES AND WORKS

EDMONTON - ALBERTA
